

SIDEBAR: FREQUENTLY ASKED QUESTIONS REGARDING THE DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

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1. How are contract specific DBE goals determined for each project?

Potentially, each Federal-aid contract that the Department executes may have a DBE goal. In order to determine the appropriate goal for the contract, the DBE Goal Setting Committee reviews the project. The committee is comprised of personnel from the DBE staff, in addition to those personnel who are most familiar with the project. The committee looks for bid items in the project that have subcontracting or subconsulting opportunities. For example, in a highway construction project, typical subcontracting opportunities include traffic control, signing, striping, guardrail, seeding, landscaping, and fencing, just to name a few. Once the subcontracting opportunities are identified, we then compare that opportunity to the number of certified DBEs available to perform that type of work. When comparing the criteria, the committee selects a numerical goal that is achievable using different combinations of the types of work.

2. What numbers are reported to Federal Highways (FHWA) for DBE achievement?

When reporting achievement to FHWA, MDT is required to report only the amount of the project that is using Federal-aid funds. For example, if the total project is \$1,000,000 and the DBE participation is \$100,000, before we can report that participation the funding split needs to be determined. For purposes of this example, the funding split is 80/20. MDT would only report the 80% of the project that contains the federal funds. This split is also applied to all subcontracts of the project. So, 80% of the total project is \$800,000 and 80% of the subcontract would be \$80,000 and the reported participation would be 10%.

3. If I am DBE certified in Wyoming, does that mean I am certified in Montana?

No. In order to participate as a DBE in MDT's Federal-aid program, you must be certified by MDT. The regulations require that every DBE within our jurisdiction (State of Montana) must be certified by MDT prior to participating as a DBE in our program.

4. As the prime contractor, can I carry a DBE's employees on my payroll?

No. As a requirement of the DBE program, each and every certified DBE is required to perform a commercially useful function if their participation is going to be counted in the program. One of the requirements for DBEs actively working on a Federal-aid highway construction project is that they must be responsible for paying their own employees via their own certified payroll.

5. How do I know the DBE I subcontract with will provide a quality product?

Interview, interview, interview. Ask for references. Ask what projects the company has recently completed. Ask how long the individual has been working in the industry. Frankly, there are numerous ways to verify that you will be receiving a quality product from the DBE. Whatever you do, don't disregard a bid from a DBE subcontractor just because you are unfamiliar with their product.